



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

February 28, 2012

John Windom, Executive Director
St. Louis Board of Education / St. Louis Public Schools
801 N. 11th Street
St. Louis, MO 63101

RE: Community Development Block Grant (CDBG) (Project #2012-CDA25)

Dear Mr. Windom:

Enclosed is a report of the fiscal monitoring review of the St. Louis Board of Education / St. Louis Public Schools, a not-for-profit organization, CDBG Program, for the period January 1, 2011 through November 30, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of the St. Louis Board of Education / St. Louis Public Schools. Fieldwork was completed on January 10, 2012.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant sub recipients.

If you have any questions, please contact the Internal Audit Section at 314-657-3490.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**ST. LOUIS BOARD OF EDUCATION / ST. LOUIS PUBLIC
SCHOOLS**

**CONTRACT #11-10-60
CFDA #14.218**

FISCAL MONITORING REVIEW

JANUARY 1, 2011 THROUGH NOVEMBER 30, 2011

PROJECT #2012-CDA25

DATE ISSUED: FEBRUARY 28, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
ST. LOUIS BOARD OF EDUCATION / ST. LOUIS PUBLIC SCHOOLS
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: St. Louis Board of Education / St. Louis Public Schools

Contract Number: 11-10-60

CFDA Number: 14.218

Contract Period: January 1, 2011 through December 31, 2011

Contract Amount: \$450,000

The contract provided Community Development Block Grant (CDBG) funds to the St. Louis Board of Education / St. Louis Public Schools (Agency) to enhance the positive interaction between the school district and the broader community by providing a wide range of experiences for persons of all ages. Each center, serving as a hub within a geographical region, provided educational achievement classes, vocational training, literacy opportunities, linkages to social services, leadership development activities, summer enrichment offerings, neighborhood stabilization experiences, and senior citizen programming.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local Community Development Administration (CDA) requirements for the period January 1, 2011 through November 30, 2011, and make recommendations for improvements, as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed, as considered necessary. Fieldwork was completed on January 10, 2012.

Exit Conference

On February 15, 2012, the Agency was offered an opportunity for an exit conference; however, it was declined.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Agency did not comply with federal, state, and local CDA requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2011-CDA15, issued May 11, 2011, noted no observations.

A-133 Status

The Agency expended more than \$500,000 in federal awards for the period ended June 30, 2011; therefore, the Agency was required to have an A-133 Audit. However, as of the fieldwork date, the 2011 A-133 audit report was not completed.

The A-133 report for the period ended June 30, 2010, dated December 23, 2010, rendered unqualified opinions on both the general purpose financial statements as well as the report issued on compliance for federal awards. There were material weaknesses and significant deficiencies identified on both the general purpose financial statements and the major federal awards. There were findings required to be disclosed in accordance with OMB Circular A-133, but did not apply to the CDBG passed through the City of St. Louis.

The Agency did not qualify as a low-risk auditee.

Summary of Current Observations

There were no current observations.